

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1566-01
Bill No.: SB 312
Subject: Judges; Retirement - State; Retirement Systems and Benefits - General; State Employees
Type: Original
Date: April 12, 2013

Bill Summary: This proposal prohibits retired judges or state employees from collecting retirement benefits while subsequently employed by a Missouri city, town, county, or village.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
	\$0	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **MoDOT & Patrol Employees' Retirement System** state that it is unknown at this time what level of fiscal impact is associated with the legislation. The administration of this proposal would require material coordination between the vast number of public retirement systems within the state of Missouri and could require programming of our pension administration system, both of which could be costly.

Officials from the **Joint Committee on Public Employees Retirement** assume this proposal would not create a substantial proposed change in future plan benefits.

Officials from the **Missouri State Employees Retirement System** state that if this legislation were enacted, employers of the political subdivisions and the Missouri State Employees Retirement System (MOSERS) or the MoDOT & Patrol Employees' Retirement System (MPERS) would need to develop a process by which retirees could be educated about this provision, and those so employed would not be able to receive retirement benefits from MOSERS or MPERS.

Officials from the **County Employees' Retirement Fund** and **Missouri Local Government Employees' Retirement System** each assumed the proposal would not fiscally impact their respective agencies.

Oversight assumes this proposal may have an administrative impact on MOSERS and MPERS as well as potentially halt benefit payments to certain retirees (if they start receiving retirement benefits after August 28, 2013 and later become employed by a qualified local political subdivision). Oversight assumes these potential costs and/or plan savings would have a minimal impact on future state contribution rates to the state retirement plans, and for fiscal note purposes will not reflect an impact to the state government.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal prohibits a state employee or judge from collecting retirement benefits while employed full time by a city, county, village, or town following retirement from the state or judiciary. Upon completion of employment by the political subdivision the person may once again resume collecting retirement from the state.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Joint Committee on Public Employees' Retirement
Missouri State Employees' Retirement System
Missouri Local Government Employees' Retirement System
State Highway Employees' Retirement System
County Employees' Retirement Fund



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